

Good morning. My name is Marie Lenane and I am a Policy Analyst at the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on the proposed amendments to 101 CMR 346.00: Rates for Certain Substance-Related and Addictive Disorders Programs.

Amendments to this regulation are being proposed at this time in accordance with M.G.L. Chapter 118E, Section 13D, which requires the secretary of EOHHS to establish, by regulation, rates to be paid by governmental units for health services and social service programs. The proposed amended regulation contains rates effective for dates of service on or after July 1, 2021.

The proposed amendments to 101 CMR 346.00 update the rates to be paid by governmental units for Residential Rehabilitation programs including Clinically Managed Detoxification Programs; Supportive Case Management services; Triage, Engagement and Assessment (TEA) program services; and Office-Based Opioid Treatment services with rates governed by this regulation

The proposed amendments to these service rates include an increase by a cost adjustment factor (CAF) of 2%. Salaries and full-time equivalent (FTE) staffing positions are being updated in the model budgets to align with similar programs and more robust staffing patterns. As part of the workforce initiative, staff salaries have been benchmarked to the Massachusetts Bureau of Labor Statistics (BLS) median wages, and the management salary has been benchmarked to the FY19 Uniform Financial Statements and Independent Auditor's Report (UFR) weighted average for management positions. The programmatic expenses have also been benchmarked to the FY19 UFR. The tax and fringe rate has been benchmarked to 22.40% and the administrative allocation has been benchmarked to 12%. Finally, the separate workforce initiative rate

has been removed from the regulation because the workforce initiative goal of the rate review has been met with the incorporation of BLS benchmarking into the rates.

The proposed amendments to these rates for DPH result in an overall annualized increase in state spending of 10.68% or \$2.9M over FY20 spending of \$63.8M. The proposed amendments to these rates for MassHealth result in an overall annualized increase in spending of 25.14% or \$46.6M over FY20 spending of \$185.4M.

This concludes my testimony. Thank you